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July 8, 1997

Harold Varmus, M.D. Director National Institutes of Health Building One, Room 126 9000 Wisconsin Avenue Bethesda, MD 20892

Dear Dr. Varmus:

Research Corporation Technologies (RCT) traces its involvement in commercializing university technologies back to 1912. RCT also helped identify the need for and subsequent drafting of the Bayh-Dole Act, which allows universities to commercialize the results of federally-funded research. In 1994, I urged the U.S. Senate Subcommittee on Patents, Copyrights and Trademarks to let the Bayh-Dole Act stand and to reject proposed changes to the Act that would further complicate the technology transfer process.

The recent confrontation between Johns Hopkins University and CellPro being played out in the media is disturbing. CellPro's petition to invoke the "march-in" clause of the Bayh-Dole Act subverts its larger purpose. Protection from frivolous invocation of march-in rights is essential if universities are to maintain the intellectual property positions that are critical to inducing investment in product development.

As you know, technology development is an expensive, high-risk endeavor. CellPro's assertion that a government march-in will protect public health is actually an attempt to remedy a now-costly missed licensing opportunity. Invocation of the clause will have a chilling effect on the entire technology transfer community's future ability to commercialize federally-funded university technologies.

I urge you to preserve the spirit of the Bayh-Dole Act and reject Cell Pro's unwarranted and inappropriate request.

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